



## ***United States Attorney District of New Jersey***

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### **FORMER PRESIDENT OF NEW YORK FINANCIAL COMPANY PLEADS GUILTY IN \$1.6 MILLION INVESTMENT FRAUD**

CAMDEN, N.J. – The former owner and president of New York Financial Company (“NYFC”) entered a guilty plea today in connection with a \$1.6 million investment fraud scheme, U.S. Attorney Paul J. Fishman announced.

Robert J. Sucarato, 41, of Holmdel, N.J., pleaded guilty to an Information charging him with one count of wire fraud before U.S. District Judge Renée Marie Bumb in Camden federal court.

According to documents filed in this case and statements made in Camden federal court:

Sucarato’s NYFC was purportedly a capital management and financial consulting firm with offices in New York City and Chicago. Sucarato admitted he had established a “virtual office” in New York which allowed him to claim a prestigious mailing address. The office space, conference rooms, and receptionists were shared with many other companies for a nominal rent.

In furtherance of the fraud, Sucarato misrepresented that NYFC was registered as an investment advisor and portfolio manager; misrepresented his educational and professional background; falsely listed certain individuals as officers and managers of NYFC who were not; and otherwise created the false impression that NYFC was a successful, well-established and “leading capital management and financial consulting firm,” “with offices in New York and Chicago,” with superior management and a staff of “over 20 experienced traders.”

Sucarato established two hedge funds – the NYFC Strategic Fund and the NYFC Diversified Strategic Fund (the “Funds”) – which purportedly invested in a variety of security instruments, including commodities futures contracts and options on commodity futures.

Sucarato admitted that he solicited individuals to invest in the Funds in person and through his website, [www.nyfc.net](http://www.nyfc.net), falsely claiming that he had managed the Funds since 1993, with over \$7.2 billion in assets under management. He also claimed the Funds had outperformed the market, achieving a ten-year compounded return exceeding 1800%. Additionally, Sucarato created a false audit report, purportedly prepared by a major accounting firm, which falsely indicated that NYFC had a net worth of approximately \$798 million.

Victims of the scheme were often provided with quarterly account statements in order to

maintain their confidence in their investment. Sucarato admitted that these statements falsely reported to the investors that their investments were growing in value due to Sucarato's profitable trading.

In soliciting, accepting, and receiving money from individuals to invest in the Funds, Sucarato acted as a "commodity pool operator" and was therefore required to be registered with the Commodity Futures Trading Commission ("CFTC"). Neither Sucarato nor NYFC were registered with the CFTC.

In all, investors provided Sucarato with more than \$1.6 million. He deposited victims' investments in bank accounts he controlled, and then transferred the victims' money between those bank accounts so that he could use the money for personal expenses. Sucarato spent the investors' money at various retail establishments, including Macy's, Vermont Teddy Bear, and L.L. Bean.

The charge to which Sucarato pleaded guilty carries a maximum potential penalty of 20 years in prison and a fine of \$250,000 or twice the gross loss to victims, whichever is greater. Sentencing is scheduled for May 2, 2011.

U.S. Attorney Fishman credited special agents of the FBI's South Jersey Resident Agency, under the direction of Special Agent in Charge George C. Venizelos in Philadelphia, for the investigation leading to today's guilty plea.

The government is represented by Assistant U.S. Attorney R. Stephen Stigall of the U.S. Attorney's Office Criminal Division in Camden.

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Defense counsel: Thomas Young, Esq., Assistant Federal Public Defender, Camden